GOVERNMENT OF INDIA
MINORITY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3174
ANSWERED ON:16.03.2016
Share of NMDFC
Nagar Shri Rodmal

Will the Minister of MINORITY AFFAIRS be pleased to state:

(a) whether the Government has increased the authorized share capital of National Minorities Development and Finance Corporation (NMDFC);

(b) if so, the details thereof;

(c) the funds sanctioned and released to NMDFC during each of the last three years and the current year; and

(d) the steps taken by the Government to strengthen the NMDFC?

Answer

MINISTER OF STATE IN THE MINISTRY OF MINORITY AFFAIRS
(SHRI MUKHTAR ABBAS NAQVI)

(a) Yes, Madam.

(b) In pursuance of decision taken by the Union Cabinet on 10.2.2015, the Government has increased the authorized share capital of National Minorities Development and Finance Corporation (NMDFC) from Rs. 1500 crore to Rs. 3000 crore.

(c) Funds are released by the Ministry to NMDFC as contribution of Central share in its equity. The details of budgetary allocation made by Central Government for equity contribution to NMDFC during last three years and current year are as under:-

(Rs. in crore)
Year Budgetary Allocation for Central Actual contribution in equity
Equity contribution to NMDFC of NMDFC by Ministry

2012-13 120.00 99.64
2013-14 120.00 0.00
2014-15 120.00 30.00
2015-16 120.00 120.00

(d) In order to strengthen NMDFC,the following steps have been taken:-

1) The Central share has been increased in the Share holding pattern of NMDFC as the share holding pattern has been revised from 65:26:9 to 73:26:1 among Centre, States/ UTs and Individuals/ Institutions respectively. With increase in Authorised Share Capital and revised shareholding pattern of NMDFC, the Central Government is in a position to contribute its share capital to the NMDFC and the NMDFC will be able to implement its schemes as per annual plans more effectively.

2) NMDFC implements its lending schemes through State Channelizing Agencies (SCAs) nominated by respective State Governments/UT Administration. Ministry implements a performance based scheme for providing Grants-in-Aid to SCAs through NMDFC, for strengthening their infrastructure and lending operations.

3) NMDFC has also been directed to explore tie up with Banks as alternative channels to enhance outreach.

4) NMDFC has raised the annual family income eligibility criterion upto Rs. 6.00 lakh per annum to enhance outreach. Moreover, the quantum of loan amount under Term Loans, Micro Finance and Educational Loan schemes has been increased. Quantum of loan under Term Loan scheme has been increased from Rs.10.00 lakh to Rs.30.00 lakh while under Micro-Finance scheme, it has been increased from Rs.50,000/- to Rs.1.50 lakh per member of a Self Help Group. Under Education Loan scheme, the quantum of loan has been increased from Rs.5.00 lakh to Rs.20.00 lakh for domestic courses and from Rs.10.00 lakh to Rs.30.00 lakh for courses abroad.

5) NMDFC has established Maulana Azad National Academy for Skills (MANAS) on 11/11/2014 as a Special Purpose Vehicle (SPV) for providing an integrated institutional arrangement, to meet all skill development /entrepreneurship development needs of the minority communities and provide sustainable livelihood options in terms of self-employment /wage employment opportunities with primary focus of self-employment with credit linkages.

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